



THE COMMONWEALTH OF MASSACHUSETTS

**DEPARTMENT OF
TELECOMMUNICATIONS & ENERGY**
ONE SOUTH STATION

MITT ROMNEY
GOVERNOR

KERRY HEALEY
LIEUTENANT GOVERNOR

BOSTON, MA 02110
(617) 305-3500

JUDITH F. JUDSON
CHAIRMAN

JAMES CONNELLY
COMMISSIONER

W. ROBERT KEATING
COMMISSIONER

BRIAN PAUL GOLDEN
COMMISSIONER

June 21, 2006

VIA EMAIL AND USPS

Paul J. Fahey, Executive Director
Frank Pozniak, Esq., General Counsel
Statewide Emergency Telecommunications Board
1380 Bay Street
Taunton, MA 02780-1088

RE: Investigation by the Department of Telecommunications and Energy to establish a permanent surcharge to recover prudently incurred costs associated with the provision of wireline Enhanced 911 services, relay services for TDD/TTY users, communications equipment distribution for people with disabilities, and amplified handsets at pay telephones.
D.T.E. 06-4

Dear Mr. Fahey and Attorney Pozniak:

Enclosed please find the first set of information requests issued by the Department of Telecommunications and Energy ("Department") to the Statewide Emergency Telecommunications Board ("SETB") in the above-captioned matter. In accordance with the Procedural Notice issued in this docket, please submit SETB's responses to the Department and the parties within ten (10) business days of the date of this request. See Procedural Notice, § III.D.1. If you have any questions regarding these information requests, please contact me at (617) 305-3578.

Sincerely,

/s/

Tina W. Chin
Hearing Officer

Encls.

cc: Service list (w/encls.)

**COMMONWEALTH OF MASSACHUSETTS
DEPARTMENT OF TELECOMMUNICATIONS AND ENERGY**

**FIRST SET OF INFORMATION REQUESTS OF THE
DEPARTMENT OF TELECOMMUNICATIONS AND ENERGY
TO THE STATEWIDE EMERGENCY TELECOMMUNICATIONS BOARD
D.T.E. 06-4**

Pursuant to 220 C.M.R. § 1.06(6)(c), the Department of Telecommunications and Energy (“Department”) submits to Statewide Emergency Telecommunications Board (“SETB”) the following Information Requests.

Instructions

The following instructions apply to this set of Information Requests and all subsequent Information Requests issued by the Department in this proceeding.

1. Each request should be answered in writing on a separate, three-hole punch page with a recitation of the request, a reference to the request number, the docket number of the case, and the name of the person responsible for the answer.
2. Do not wait for all answers to be completed before supplying answers. Provide the answers as they are completed.
3. These requests shall be deemed continuing so as to require further supplemental responses if Verizon or its witnesses receives or generates additional information within the scope of these requests between the time of the original response and the close of the record in this proceeding.
4. The term “provide complete and detailed documentation” means:

Provide all data, assumptions and calculations relied upon. Provide the source of and basis for all data and assumptions employed. Include all studies, reports and planning documents from which data, estimates or assumptions were drawn and support for how the data or assumptions were used in developing the projections or estimates. Provide and explain all supporting workpapers.
5. The term “document” is used in its broadest sense and includes, without limitation, writings, drawings, graphs, charts, photographs, phono-records, microfilm, microfiche, computer printouts, correspondence, handwritten notes, records or reports, bills, checks, articles from journals or other sources and other data compilations from which information can be obtained and all copies of such documents that bear notations or other markings that differentiate such copies from the original.
6. If any one of these requests is ambiguous, notify the Hearing Officer so that the request may be clarified prior to the preparation of a written response.
7. Please serve a copy of the responses as follows: (a) one original to Mary L. Cottrell, Secretary of the Department; (b) one copy to all parties; (c) two copies to Tina W. Chin, Hearing Officer; and (d) one copy to each Department staff member listed on the current distribution list.

Requests

- DTE-SETB 1-1 With regard to the two scenarios provided in the May 26, 2006 filing, aside from the proposed surcharge rate and timeline, identify any other differences between the two scenarios. Is the basis for the two scenarios primarily the timeline for completion of the capital equipment upgrades?
- DTE-SETB 1-2 Refer to page 2 of the May 26, 2006 filing which indicates that the Wireline and Wireless E911 contracts expire on June 30, 2007.
- (a) Upon what contractual basis will E911 services be provided during the July 1, 2007 to December 31, 2007 time period?
- (b) Provide copies of any contracts entered into by SETB for the provision of E911 services and disability access programs for the July 1, 2007 to December 31, 2007 time period.
- (c) Under Scenario 1, would the proposed surcharge of \$1.56 continue to be assessed during the July 1, 2007 to December 31, 2007 time period?
- DTE-SETB 1-3 Refer to page 2 of the May 26, 2006 filing regarding the timelines. List and describe in detail all additional costs associated with the compressed timeline in Scenario 1.
- DTE-SETB 1-4 Refer to the May 26, 2006 filing regarding Admin and Program expenses.
- (a) Provide detailed information on the anticipated level of salaries and overhead costs of the nineteen employees to be employed by SETB as well as the four additional contract employees to be hired for fiscal year ("FY") 2007.
- (b) Explain in detail the necessity of the staffing levels during FY 2007 and FY 2008.
- (c) Provide detailed information regarding the specific costs for each projected administration expense.
- (d) Provide detailed information regarding the expenses for training programs including but not limited to a description of each and every training program anticipated, detailed costs for each training program, and the identify of the entity conducting the training.
- (e) Provide copies of any contracts for training programs for FY 2006 through FY 2008.
- (f) Provide additional information regarding the actual and projected expenses for public education.

- DTE-SETB 1-5 Refer to the Admin and Program expenses for Actual FY 2004. Explain why most administration expenses were funded through the Wireless account if the allocation between the Wireless and Wireline account is 50 percent.
- DTE-SETB 1-6 How was the 50-50 allocation of expenses between the Wireless and Wireline accounts determined? Explain how an exception to the 50-50 allocation is made and under what circumstances such an exception would be granted.
- DTE-SETB 1-7 With the exception of the administration expenses in FY 2004, does each remaining category of revenues and expenses represent 50% of the total revenue or expense for that line item with the remaining 50% being charged to the Wireless account? If not, document how each cost or revenue is allocated between the two funds.
- DTE-SETB 1-8 Compare and contrast the components of the wireline and wireless E911 systems.
- DTE-SETB 1-9 How was the two percent projection for uncollectibles determined? Provide documentation to support that projection on a going forward basis.
- DTE-SETB 1-10 What was the actual level of uncollectible revenues for FY 2002 through 2005?
- DTE-SETB 1-11 Refer to recurring costs for E911.
- (a) Explain in detail each recurring cost category (including to what the acronym "DMZ" refers) and the necessity of each cost category.
- (b) Explain in detail the basis for the significant decreases in the projected recurring costs for Data Centers, Network, Network Maintenance costs and Customer Care Center when compared to actual costs for these line items in FY 2004 and FY 2005.
- (C) Explain in detail the basis for the increases in the projected recurring costs for Map Data and DMZ when compared to actual costs for these line items in FY 2004 and FY 2005.
- (D) Explain the significant decrease in Network Maintenance expenses projected for FY2006.
- DTE-SETB 1-12 Refer to page 3 of the May 26, 2006 filing which indicates that the frame relay and DMZ projects are not included in the recurring cost assumptions. Please explain what these projects involve, the costs for these projects are where these costs are included in the cost projections.

- DTE-SETB 1-13 Refer to the non-recurring costs for E911.
- (a) What are the necessary components of the E911 system and how does SETB make this determination?
 - (b) How does SETB determine which options to offer individual public service answering points (“PSAPs”)?
 - (c) List all options available to individual PSAPs pursuant to capital upgrades and explain the reasonableness and prudence of allowing such options to be included as an expense to be recovered in the surcharge when such options are not necessary components of the E911 system.
 - (d) Explain what a PSAP Move is and when and why it is necessary.
 - (e) List all capital equipment upgrades for which SETB has contracted with Verizon since the interim surcharge of \$0.85 was approved and the specific costs for each upgrade. In addition, explain why each upgrade is necessary.
 - (f) Were any of costs of the capital equipment upgrades included in the cost projection for the interim surcharge?
 - (g) Explain the basis for the additional \$90,000 projected under Scenario 2 for Capital Upgrades. In addition, explain the apparent discrepancy between the statement on page 2 of the May 26, 2006 filing that implies that additional costs are associated with the compressed timeline in Scenario 1 and the additional \$90,000 expense for capital upgrades in Scenario 2.
 - (h) Provide any and all internal planning documents produced or utilized by SETB in support of its ongoing or proposed capital equipment upgrades during for FY 2004 through FY 2008.
- DTE-SETB 1-14 Provide copies of:
- (a) the current contract(s) with Verizon to provide relay services and disability access programs;
 - (b) the cost estimates provided by Verizon upon which the cost projections for relay services and disability access programs were based;
 - (c) the Wireline and Wireless E911 Contracts with Verizon;
 - (d) the contract addressing the Verizon’s reimbursement for the deficit incurred under the prior Directory Assistance funding system.
- DTE-SET 1-15 Refer to FY 2005 and FY 2006 in Scenario 1. Explain the discrepancy between the FY 2005 Ending Fund Balance of \$4,380, 006 and the FY 2006 Beginning Fund Balance of \$4,853, 272.

- DTE-SETB 1-16 Scenarios 1 and 2 assume that the permanent monthly surcharge required to balance the fund would become effective beginning January 2007, however, the projected FY 2007 net revenue appears to be based upon the interim surcharge rate of \$0.85. Please explain.
- DTE-SETB 1-17 How does SETB arrive at its line count and line loss projections in its May 26, 2006 filing?
- DTE-SETB 1-18 Is SETB aware of any carrier whose monetary remittances to the Wireline E911 Fund has not matched the amount expected based upon that carrier's reported line count? If yes, what actions, if any, has SETB taken to address such discrepancies? In addition, is SETB aware of any carriers authorized to operate in Massachusetts who have never made, or have made irregular, remittances to the Wireline E911 Fund?